Washington State Auditor's Office Audit Report

Benton County Conservation District

Audit Period January 1, 1998 through December 31, 2000

Report No. 63061



Issue Date February 22, 2002

Audit Summary

Benton County Conservation District January 1, 1998 through December 31, 2000

ABOUT THE AUDIT

This report contains the results of our independent audit of the Benton County Conservation District for the period January 1, 1998, through December 31, 2000.

We performed audit procedures to determine whether the District complied with state laws and regulations and its own policies and procedures. We also audited the financial statements and evaluated the internal control established by District management. Our work focused on specific areas that have potential for abuse or misuse of public resources.

RESULTS

The District complied with state laws and regulations and its own policies and procedures in the areas we examined. The District's financial statements were complete and accurate.

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Description of the District

Benton County Conservation District January 1, 1998 through December 31, 2000

ABOUT THE DISTRICT

The Benton County Conservation District was organized in 1951 to develop and administer voluntary, nonregulatory programs for the use and conservation of natural resources in Benton County. The District is governed by a Board of elected and appointed volunteer Supervisors that establish priorities and set policies.

District Supervisors direct the expertise of District staff working in partnership with the federal Natural Resources Conservation Service. The District operates on local, state, and federal grants and contracts to do projects, usually with some form of local matching funds.

The total operating budgets for 1998, 1999 and 2000, respectively, were \$238,844, \$159,090 and \$396,755. The District has a staff of four.

ELECTED OFFICIALS

These officials served during the audit period:

Board of Supervisors:

ChairpersonMike O'BrienVice-ChairRose Marie WintersDeputy AuditorFrank AndersonAuditorWes Bratton

ADDRESS

District 24106 North Bunn Road Prosser, WA 99350

Audit Areas Examined

Benton County Conservation District January 1, 1998 through December 31, 2000

In keeping with general auditing practices, we do not examine every portion of the Benton County Conservation District's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the District were examined during this audit period:

LEGAL COMPLIANCE

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Travel expenditures
- Credit card usage

- Open Public Meetings Act
- Gift of public funds

INTERNAL CONTROL

We evaluated the following areas of the District's internal control structure:

- Cash receipts and revenues
- Cash disbursements
- Expenditures

- Payroll
- Journal entries and financial statement preparation

FINANCIAL AREAS

In addition to the financial-related work listed in other categories, we audited the following areas:

- Cash and investments
- Subsequent events

Overall presentation of the financial statements

Audit Overview

Benton County Conservation District January 1, 1998 through December 31, 2000

AUDIT HISTORY

We audit the Benton County Conservation District every three years. No findings have been reported in the last three audits.

CONCLUSIONS

In the areas examined, we found the District complied with state laws and regulations and its own policies and procedures. We also found the District's financial statements were complete and accurate.

We thank District personnel for their assistance and cooperation during the audit.

Independent Auditor's Report on Compliance with State Laws and Regulations

Benton County Conservation District January 1, 1998 through December 31, 2000

Board of Supervisors Benton County Conservation District Prosser, Washington

We have audited the financial statements of the Benton County Conservation District, Benton County, Washington, as of and for the years ended December 31, 2000, 1999 and 1998, and have issued our report thereon dated February 1, 2002.

We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the District complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the District's management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the District and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the District complied, in all material respects, with the applicable laws and regulations referred to in the preceding paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those provisions.

This report is intended for the information of the audit committee, management, and the Board of Supervisors and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

BRIAN SONNTAG, CGFM STATE AUDITOR

February 1, 2002

Independent Auditor's Report on Financial Statements

Benton County Conservation District January 1, 1998 through December 31, 2000

Board of Supervisors Benton County Conservation District Prosser, Washington

We have audited the accompanying financial statements of the Benton County Conservation District, Benton County, Washington, for the years ended December 31, 2000, 1999 and 1998. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the District prepares its financial statements on the cash basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the recognized revenues and expenditures of the funds of the Benton County Conservation District for the years ended December 31, 2000, 1999 and 1998, on the cash basis of accounting described in Note 1.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedules of State and Local Financial Assistance are also presented for purposes of additional analysis. These schedules are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

BRIAN SONNTAG, CGFM

STATE AUDITOR

February 1, 2002

Financial Statements

Benton County Conservation District January 1, 1998 through December 31, 2000

FINANCIAL STATEMENTS

Revenues and Expenses Arising from Cash Transactions – 2000 Revenues and Expenses Arising from Cash Transactions – 1999 Revenues and Expenses Arising from Cash Transactions – 1998 Notes to Financial Statements – 2000, 1999 and 1998

ADDITIONAL INFORMATION

Schedule of State and Local Financial Assistance – 2000 Schedule of State and Local Financial Assistance – 1999 Schedule of State and Local Financial Assistance – 1998